

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE
STATE OF CALIFORNIA**

Order Instituting Rulemaking to Examine)	
the Commission's Future Energy Efficiency)	Rulemaking 01-08-028
<u>Policies, Administration and Programs.</u>)	(Issued August 23, 2001)

**COMMENTS OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E)
IN RESPONSE TO ASSIGNED COMMISSIONER'S RULING REQUESTING
INFORMATION IN RESPONSE TO THE GOVERNOR'S EXECUTIVE
ORDER S-20-04**

MICHAEL D. MONTOYA
JANET S. COMBS

Attorneys for
SOUTHERN CALIFORNIA EDISON COMPANY

2244 Walnut Grove Avenue
Post Office Box 800
Rosemead, California 91770
Telephone: (626) 302-1524
Facsimile: (626) 302-7740
E-mail: Janet.Combs@SCE.com

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TABLE OF CONTENTS

<u>Section</u>	<u>Title</u>	<u>Page</u>
I.	INTRODUCTION.....	1
II.	RESPONSES TO QUESTIONS	3
A.	Responses to the Questions Posed in the Ruling.....	3
1.	How much electricity and natural gas is currently used by government and private commercial buildings in your service territory?.....	3
2.	What level of energy savings (kWh, MW and therm) was captured in 2004 from currently approved energy efficiency programs targeted towards building efficiency for government and private commercial buildings? What other customer types are currently eligible for existing building efficiency programs, and how much savings have been captured by these customers by participating in ratepayer-funded energy efficiency programs in 2004?	3
3.	What level of savings is anticipated to be captured by these programs in 2005? In addition to presenting the expected kWh, MW and therm savings levels, present estimates of reduced per square footage electricity usage relative to 2004 usage, so that it can be compared directly to the Governor's goals of achieving a reduction of 10% per square foot by 2010 and 20% per square foot by 2015?	5
4.	How are current programs supporting a campaign to inform building owners and operators about the compelling economic benefits of energy efficiency measures? Should a single, statewide campaign be initiated for this purpose? How might authorized funds for the 2004-2005 program year be redirected to support such an effort?	6
5.	How much money is currently allocated to supporting programs to inform building owners and operators about the compelling economic benefits of energy efficiency measures and to improve commercial building efficiency? Present a breakdown of this funding information by individual programs and IOU service territory.....	36

TABLE OF CONTENTS (cont'd)

<u>Section</u>	<u>Title</u>	<u>Page</u>
6.	Describe how these programs are currently coordinated and how such coordination could be improved upon in the future.	40
7.	How might CPUC-funded energy efficiency programs be modified or enhanced to help achieve the reductions in per square footage electricity use for commercial buildings, as directed in the Green Buildings Executive Order?	40
8.	What funding reallocations could be undertaken during 2005 to further facilitate meeting this goal? What level of additional funding in future years for commercial building efficiency programs do you estimate would be required to meet this goal?.....	41
III.	CONCLUSION.....	42

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I.

INTRODUCTION

Southern California Edison Company ("SCE") respectfully submits these comments in response to Commissioner Kennedy's December 29, 2004 Ruling ("Ruling") Requesting Information in Response to Governor Schwarzenegger's Executive Order S-20-04, issued December 15, 2004 (the "Green Buildings Executive Order" or "Executive Order").

The Ruling requests information on how energy efficiency programs that are currently authorized and funded in the 2004-2005 cycle can be utilized to accomplish the goals outlined in the Executive Order, and seeks comments on how the Commission should modify subsequent program design and funding to implement the Executive Order.

The Ruling notes that the Green Buildings Executive Order generally requires increased investments in energy efficiency for state-owned buildings and encourages cities, counties and private businesses to reduce their energy use. The Ruling also notes that the Governor stated a goal of reducing electricity used in existing government and private commercial buildings by 10% per square foot by 2010 and 20% per square foot by 2015. The Executive Order mandates that all new

and renovated state-owned facilities paid for with state funds be certified as Leadership in Energy and Environmental Design ("LEED") Silver standard or higher, and that office spaces and office equipment leased or purchased by the state be ENERGY STAR-qualified where cost-effective.¹

Specifically, the Ruling seeks information on how an outreach campaign and programs to the commercial sector might be implemented immediately and further developed for future funding cycles. The Ruling requests (i) responses to eight questions posed by the Commission; (ii) definitions for the terms “government”, “private commercial”, and customer type; and (iii) any additional information relevant to paragraph 4 of the Executive Order, which urges the Commission to “apply its energy efficiency authority to support a campaign to inform building owners and operators about the compelling economic benefits of energy efficiency measures; improve commercial building efficiency programs to help achieve the 20% goal; and submit a biennial report to the Governor commencing in September 2005, on progress toward meeting these goals.”

SCE herein submits its responses to each of the requested items in the Ruling. SCE looks forward to working with the Commission to meet the needs of California’s commercial customers and to meet the requirements of the Executive Order.

¹ See the Ruling at 1-2.

II.

RESPONSES TO QUESTIONS

A. Responses to the Questions Posed in the Ruling

1. How much electricity and natural gas is currently used by government and private commercial buildings in your service territory?

Approximately 35,514 million kWh were utilized by government and private commercial buildings in SCE's service territory in 2004. The government and private commercial buildings represented by this usage are the same as those in the Green Building Action plan, including Offices, Food Stores, Hospitals, Retail Stores, Warehouses, Restaurants, Hotels, Schools, Colleges, and other Miscellaneous Commercial buildings.² Of these 35,514 million kWh utilized by the commercial buildings in SCE's service territory, 2,725 million kWh were utilized by city, county, and state commercial buildings.

2. What level of energy savings (kWh, MW and therm) was captured in 2004 from currently approved energy efficiency programs targeted towards building efficiency for government and private commercial buildings? What other customer types are currently eligible for existing building efficiency programs, and how much savings have been captured by these customers by participating in ratepayer-funded energy efficiency programs in 2004?

All of SCE's nonresidential program offerings in 2004 targeted energy efficiency for government and private commercial buildings. SCE's nonresidential programs captured over 508 million net kWh and 80 net MW³

² This is based upon an identification of Commercial customers in SCE's service territory, broken down by CEC building code, as described in the Green Building Action Plan, September 2004, p.6.

³ This reflects program results net of free ridership (i.e., after application of the Commission-approved net-to-gross ratio). Results include 2004 program results, both actual and committed, Continued on the next page

in 2004 resulting from approved energy efficiency programs offered in 2004 targeted towards its nonresidential customers. These energy savings represent the first-year results of SCE's 2004-2005 programs authorized by the Commission in Decisions D.03-12-060 and D.04-02-059. These energy savings, representing an expenditure level of approximately half of the full 2-year program budget, well exceed half of the adopted 2-year program goal of 805 million net kWh and 153 net MW.

In addition to these savings captured in 2004 from currently approved energy efficiency programs targeted towards building efficiency for government and private commercial buildings, SCE's customers continue to benefit from program offerings prior to 2004. Some programs, such as those intended to benefit nonresidential new construction energy efficiency projects, take longer than a single year to complete. Energy savings from such multi-year commitments are not included in the 2004 savings estimate of 508 million kWh above. As such, the energy savings and demand reduction estimates listed above are conservative ones, since they do not include customer energy savings generated in 2004 from previous year's programs.

All customer types are currently eligible for existing building energy efficiency programs. SCE offers energy efficiency programs which assist its Residential and Nonresidential customer projects alike, including Commercial, Industrial, and Agricultural nonresidential customers. In the nonresidential sector, including Commercial, Industrial, and Agricultural nonresidential customers, SCE captured over 388 million net kWh and 66 net MW⁴ in 2004 resulting from customers participating in approved energy efficiency programs offered in 2004 targeted towards existing buildings.

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from both Public Goods Charge-funded and Procurement-funded energy efficiency programs offered in SCE's service territory.

⁴ *Ibid.*

Overall, when combining both energy savings from the nonresidential and residential sectors, SCE captured over 824 million net kWh and 152 net MW⁵ in 2004 resulting from customers participating in approved energy efficiency programs offered in 2004 targeted towards existing buildings. This does not include the additional savings attributed to participating customers in SCE's residential and nonresidential new construction energy efficiency programs, which do not primarily target existing buildings.

3. What level of savings is anticipated to be captured by these programs in 2005? In addition to presenting the expected kWh, MW and therm savings levels, present estimates of reduced per square footage electricity usage relative to 2004 usage, so that it can be compared directly to the Governor's goals of achieving a reduction of 10% per square foot by 2010 and 20% per square foot by 2015?

In the Commission's Decisions adopting SCE's 2004-2005, (D.03-12-060 and D.04-02-059), the Commission authorized goals which encompass the cumulative results of accomplishments from SCE's two years of energy efficiency programs. The adoption of two-year goals has allowed SCE to maximize its energy savings by making longer commitments to its customers, trade allies, and partners in the accomplishment of its program goals. The Commission and the state should continue to review progress towards these goals as a cumulative set of 2-year accomplishments. SCE's nonresidential program goals adopted for the 2004-2005 period are 805 million net kWh and 154 net MW, including both programs designed to assist existing buildings (677 million net kWh, 128 net MW) and newly constructed buildings (128 million net kWh, 26 net MW).⁶ As discussed in response to Question 2 above,

⁵ *Ibid.*

⁶ This reflects program goals net of free ridership (i.e., after application of the Commission-approved net-to-gross ratio). Results reflect goals established in Decisions D.03-12-060 and D.04-02-059, including both Public Goods Charge-funded and Procurement-funded energy efficiency programs offered in SCE's service territory. A portion of these results were achieved in 2004 (See question 2), including results related to funds set aside for customer energy efficiency

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SCE has accomplished a great deal in the first year of the 2-year cycle, well exceeding half of its energy savings goals. SCE is expected to significantly exceed the 2-year adopted goals by the end of 2005.

SCE's estimate of total square footage of existing commercial space in its service territory is 2.3 billion square feet in 2004, expected to rise slightly in 2005. As stated in response to Question 1, SCE's estimated electrical usage for commercial customers is 35,514 million kWh for 2004. Thus, SCE's present estimate of per square footage electricity usage is approximately 15 kWh/sq. ft. in 2004.

4. How are current programs supporting a campaign to inform building owners and operators about the compelling economic benefits of energy efficiency measures? Should a single, statewide campaign be initiated for this purpose? How might authorized funds for the 2004-2005 program year be redirected to support such an effort?

California boasts an integrated and effective approach for marketing the state's energy efficiency programs. The Commission has authorized, and SCE administers, three Statewide Marketing and Outreach programs that create general awareness of energy efficiency opportunities across the state. Underneath this "umbrella" of general awareness, SCE provides targeted, program-specific marketing and serves to assist customers in participating in the specific programs that benefit them. No new single, statewide campaign is needed. In fact, to fail to use the well-coordinated marketing and outreach mechanisms already in place would be counter-productive. Instead, the Commission need only to allow SCE the flexibility to use the existing, already-funded, Statewide Marketing and Outreach programs and existing program-specific campaigns to provide an appropriate degree of focus on this

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installation commitments which will either be installed in 2005 or will be re-committed to other customer projects. Thus, the final 2004 results may change from the current estimates and as such the 2005 results are not directly inferred from subtracting the 2004 goals from the 2-year adopted goals.

latest relevant development in energy efficiency information for California's commercial customers.

Over the past few years, the Investor-Owned Utilities (IOUs) have worked closely together and with other parties to demonstrate the effectiveness of their statewide coordination and cooperation in the design, marketing and delivery of energy efficiency programs for California's consumers. SCE utilizes its Statewide Marketing and Outreach campaigns – Flex Your Power, Univision Television Energy Efficiency Marketing Program, and Reach for the Stars Statewide Energy Efficiency Marketing and Outreach Program to raise general awareness, while offering its program portfolio to target specific, actionable items that customers can utilize. This approach of leveraging program-specific campaigns with the Statewide Marketing and Outreach “umbrella” campaigns has proven to be very effective for SCE and the other IOUs. This approach delivers a consistent message statewide which provides general information on the economic benefits of energy efficiency. Then, at the utility level, specific programs that support this concept are marketed to the appropriate audiences to reinforce the Statewide Marketing and Outreach messages and provide specific information on how to take action. Program-specific campaigns include direct mail to targeted audiences, targeted advertising through the online channel, one-to-one delivery through account reps, and outreach at events and tradeshows.

The Commission's Decision adopting the 2004-2005 energy efficiency programs, including the Statewide Marketing and Outreach programs, implicitly recognized the value of statewide “general awareness” messaging followed-up with IOU program-specific marketing and outreach to drive customers to specific activities. Each of SCE's nonresidential energy efficiency savings programs contains an education and outreach portion intended to convey the economic and other benefits of energy efficiency, including programs specifically dedicated to informing building owners and

operators about the compelling economic benefits of energy efficiency measures. SCE's nonresidential program mix includes programs whose primary means of informing building owners and operators is to provide financial incentives to customers, intended to spur the financial aspects related to energy savings; audit programs whose purpose is to provide customer-specific advice as to the benefits of energy efficiency; and mass market information programs, intended to provide general advice and information to SCE's nonresidential customers on the benefits of saving energy and money through energy efficiency. Many of these programs are statewide programs, offered to customers of each of California's IOUs and coordinated to ensure that customers whose operations span throughout California are able to take advantage of similar offers in each utility service territory. In addition, SCE and the other California utilities offer local energy efficiency programs and partnerships with many local government institutions which are designed to meet the specific needs of their customers.

Below are descriptions of the campaigns to inform building owners and operators about the compelling economic benefits of energy efficiency measures.

Statewide Marketing and Outreach

Flex Your Power Marketing and Outreach Program

The Flex Your Power statewide energy efficiency marketing and outreach campaign, managed by the Efficiency Partnership (EP), is the continuation of the innovative and historically successful *Flex Your Power Campaign* initiated by the State of California in 2001. The 2004 and 2005 effort continues to build on the successes and momentum of the past three years and add innovative new marketing and outreach tools targeted to each sector and in support of energy efficiency programs. The campaign targets all sectors: commercial (including small business and hard-to-reach nonresidential), industrial, governmental, institutional, (including schools), agricultural and residential (including single-family, multifamily, and hard-to-reach audiences.) The campaigns goals are: (1) to educate

Californians on the benefits of energy efficiency; (2) to motivate them to take action to achieve lasting energy savings; and (3) to support the energy efficiency programs of the IOUs, third-party program providers and other organizations.

This campaign provides marketing and education programs that capitalize on the “Flex Your Power” campaign through TV, newspaper, radio and targeting English and Asian-speaking consumers. Additionally, this program promotes energy efficiency through printed educational materials; events; a website; a biweekly electronic news letter; planning forums; and crucial partnerships with businesses, government and nonprofit organizations. The campaign coordinates with IOUs, municipal utilities, water agencies, non-utility program providers, manufacturers, retailers of energy-efficient products, contractors and other energy efficiency service providers to provide a consistent statewide energy efficiency message and information.

Univision Television Energy Efficiency Marketing Program (U-TEEM)

This program provides marketing and outreach to Spanish-speaking communities, using televised marketing and information, building on its success from the previous years. The goal of the U-TEEM program is to increase awareness of and participation in the 2004-2005 Home Energy Efficiency Programs as provided by the IOUs. The target market for this program is California’s Spanish-speaking Hispanic population. The U-TEEM television commercials will focus on the 2004-2005 rebates available for the purchase and installation of energy efficient products and measures that will result in permanent reductions in energy usage.

Reach for the Stars Statewide Energy Efficiency Marketing & Outreach Program

This campaign is a comprehensive statewide energy efficiency communications campaign directed to residential energy customers in IOU rural service areas. This is a continuation of the 2003 “Reach for the Stars” statewide marketing and outreach energy efficiency communications program. It is directed to customers in rural communities primarily through radio and printed materials, including grants to community-based organizations with strong community ties to

further promote awareness to the hard-to-reach customers. The campaign encourages all rural residential energy users to make permanent energy-efficient upgrades to their homes and participate in statewide and local gas and electric energy efficiency programs.

Savings by Design

The Savings By Design (SBD) program is a statewide energy efficiency program for the nonresidential new construction industry started by the IOUs in 1999 to provide statewide consistency, program stability, and savings persistence to the new construction market. SBD builds on the best elements of successful new construction programs run by the IOUs since the early 1990's. The program promotes integrated design and emphasizes early design involvement by offering building owners and their design teams a wide range of services including education, design assistance, and owner incentives as well as design team incentives. SBD will leverage its resources and procure energy savings and demand reduction for this integrated resource planning purpose. As a result, energy savings are achieved at a very cost-effective level.

Statewide Marketing

Coordinated statewide marketing is provided to architects, engineers, energy design professionals, building owners, professional and industry associations, and contractors. Marketing efforts include:

- The development and distribution of 3,000 program brochures, informational inserts, industry-specific marketing pieces, and 2,000 design guidelines addressed to specific market actors;
- Delivery of these materials through trade and professional organizations, design conferences, trade shows, and educational seminars and classes including Energy Design Resources training in integrated design practice, industrial energy efficiency seminars, as well as classes specific to Title 24 and future code requirements;

- Targeted information and supplemental design stipends to architects and engineers to encourage financial analyses including building simulation modeling for decision-maker use;
- Continuation of support for, and outreach efforts through, CHPS, CCC, CASH, AIACC, ASHRAE, and the CEC for meetings, programs, conferences, and activities that promote energy efficiency and integrated design for nonresidential buildings and processes to owners, design and energy professionals, government agencies, and other key market actors;
- Continued development of the SBD and Energy Design Resources Web sites.
- Sponsor of an energy efficiency design awards competition in conjunction with the AIA California council. SBD recognizes those architects who have achieved superlative results in the areas of architectural design, energy performance, innovative treatment of energy-related elements and technologies, and environmentally-sensitive design and creativity.

SCE Marketing

In addition to statewide marketing activities, SCE is undertaking targeted marketing efforts oriented toward high-potential market sectors or actors⁷ including retail, industrial, and institutional customers among others. Efforts include, but are not limited to:

- Development and distribution of 8,000 industry-specific case studies and testimonials relating the value of energy efficiency in terms meaningful to specific market actors;
- Promotion of energy efficiency and integrated design analysis through trade advertising, general and project-specific classes, and stakeholder meetings;
- Expanded outreach to multiple-site retailers (chain stores)
- Promotion of technical and project-specific design assistance to owners, design teams, builders, and contractors;

⁷ NRNC Market Characterization and Program Tracking (MCPAT) Report PY2002, Quantum Consulting, August 2003.

- Utility-specific promotions through media, one-on-one project outreach, routine calls on industry professionals, as well as through established customer relationships with building and process owners;
- Inclusion of SBD promotional information at SCE's CTAC and AgTAC classes oriented toward new construction market actors;
- Support of, and marketing through; AIACC, agricultural industry trade and professional organizations, facility managers' organizations, trade shows, and SCE's information services program.

Standard Performance Contract

The statewide Nonresidential Standard Performance Contract (SPC) program offered by Pacific Gas and Electric Company, Southern California Edison, and San Diego Gas and Electric Company is a pay-for-performance program that offers cash incentives for custom-designed, cost effective energy saving retrofits of existing business facilities. Designed primarily for large and medium businesses, small and very small businesses can also participate if the energy efficiency measures do not qualify for the statewide Express Efficiency program. Depending on the energy-efficiency measure installed, an itemized or calculated approach is used to estimate the energy savings and incentive. An itemized measure is based on a pre-determined rate and no kWh savings calculation by the applicant is necessary. For all other measures not included as an itemized measure, the estimated payment is determined by the quantity of kilowatt-hours (kWh) or therms of gas saved.

The SPC program includes effective outreach and marketing to businesses that have more customized needs, or are considering larger, more complex projects. SPC education, outreach and marketing activities will target business customers, hard-to-reach customers, energy service providers (ESPs), trade associations, other local business groups and government entities to generate interest and participation in the 2004 program. A combined statewide effort includes the development and design of a single brochure representing all IOUs, universal application forms, updated CDs, giveaways, direct mailers, bill inserts, and other

appropriate program literature as needed. SCE will distribute in its service territory 7,500 brochures representing all IOUs, 5,000 universal application forms and updated CDs, 80,000 direct mailers, 10,000 bill inserts, and other appropriate program literature as needed.

Customers receive application information and program updates through IOU websites, IOU service representatives, ESPs, trade organizations, industry associations, and at industry trade shows, and special events. The Education and Training Services program also assists in marketing the program and provides outreach through special events, trade shows, and website communication.

The SPC program also coordinates with other third party energy efficiency initiatives to encourage participation and leverage on-going, non-utility energy efficiency and conservation programs, activities and events. Additionally, the program proactively develops partnerships with community-based organizations, trade associations, industry groups, Chambers of Commerce, government agencies, and other local businesses to increase the reach of our message and build support for the program. To the extent possible, the SPC program promotions and information is fully integrated with other statewide information, services and financial incentive programs that are available to business customers.

The SPC program, along with other energy efficiency programs, is promoted to customers on the IOU websites, through IOU service representatives, ESPs, industry trade organizations, direct mailings, industry trade shows and other events in the Education and Training Services program.

Express Efficiency

Express Efficiency is the prescriptive rebate program that provides financial incentives to all IOU small-and medium-sized nonresidential customers on a seamless statewide basis. By having a design that actually prescribes what measures may be installed, it is a very straightforward and customer-friendly program that ensures that the smallest customers have a hassle-free, reliable means to decrease their utility bill and make their businesses more energy efficient. The program continues its focus on customers who are defined as hard-to-reach

(HTR), who traditionally are less likely to install energy efficient technologies due to geographic, ethnic and other market barriers. To achieve this goal, SCE draws upon the synergies that exist between its programs, such as the Energy Audit program and with other, community based organizations. Doing so increases the economies of scale and creates a greater positive impact for all present and future stakeholders.

In the current economic climate, hard-to-reach (HTR) customers, in particular, continue to struggle for financial survival. To get their attention and to persuade them to invest in energy efficiency requires an innovative marketing approach. This approach involves the use of a combination of direct mail, personal, and CBO-coordinated efforts. The marketing plan's primary objective is to provide the HTR customer with equitable access to the program. SCE's approach includes, but is not limited to:

- Multilingual marketing materials and technical resources in English, Spanish, Korean, Chinese and Vietnamese.
- Direct mail pieces targeting economic development areas and rural areas;
- Informational pieces to inform small customers as to the amount of rebate available for specific energy efficient equipment; and
- SCE assists local small businesses that sell energy efficient equipment to develop informational pieces for distribution to their own customers within their community.

Other promotional strategies include increased media coverage in minority focused publications, telemarketing, coordination with community events, faith-based (FBOs) and community-based organizations (CBOs), and group workshops/seminars. An example of a successful coordination with a CBO is the statewide energy seminars that were jointly conducted with the California Association of Non-Profits (CAN). The information presented not only included business energy information, but also IOU residential programs. This comprehensive delivery of all nonresidential and residential programs at a single venue provided great value to the CBO attendees. They acknowledged that the

additional information that the IOUs presented would be used by CAN to assist their clients with energy related issues. This innovative and cooperative approach illustrates the great value that SCE's well-rounded experience and in-depth knowledge in all aspects of energy efficiency can wield to provide equitable access to all programs regardless of customer sector.

SCE's Express Efficiency Web site provides supplemental information and services, including current updates as to available funding levels, online reservations, and printable rebate forms. Forms that can be completed online and electronic databases of qualifying equipment are under development. Customers requiring in-depth information can also call SCE's toll-free number to receive technical assistance, schedule an energy audit, and receive detailed program information or make a rebate reservation. SCE has found that one major market barrier relates to technical information dissemination. Fortunately, based upon more than 20 years of energy efficiency experience, SCE understands the many barriers customers face, and will continue to provide solutions through multiple, complementary, marketing channels. In 2004, SCE distributed approximately 80,000 Program Applications and 100,000 Program Summary Fact Sheets through Direct Contact, Mail, Tradeshow, Chamber Events, and its Website.

Upstream Motors and HVAC

The Upstream Motors and Air Conditioning program is a prescriptive rebate program that provides upstream financial incentives to distributors to stock and sell qualifying high efficiency products. All incentives are paid upstream. No rebates are offered to end users. SCE's commercial, industrial and agricultural customers are eligible to participate. Program marketing will be targeted toward transmission-constrained and geographically hard to reach markets in order to maximize program benefits. Both nonresidential retrofit and new construction applications qualify for the program, as this is an upstream program focused on changing distributors' stocking practices to favor qualifying energy-efficient equipment. SCE's customers from the smallest to the largest are eligible to receive the advantage of the upstream incentives. Packaged air conditioning is used by

small commercial customers; motors are used by all customer classes. Incentives are offered for high efficiency packaged and split system air conditioners, heat pumps, integral HVAC smart controls, package chillers, and motors. Depending on market response, additional measures may be added in 2005.

The upstream incentive program identifies a comprehensive list of distributor and manufacturer contacts through industry association contacts, prior rebate program participation, targeted direct marketing, trade shows, manufacturer relationships and other sources. A phone and email database will be quickly developed to provide early awareness of the program and engage the market actors. For the SCE service territory, we currently have a large portion of the participating distributors' phone numbers and email addresses. Because of the relatively smaller number of upstream market actors, identification and communication with upstream market actors will be accomplished cost effectively and quickly.

SCE's account representatives are educated on program details and will be available to direct customers to the appropriate distributor. This field resource will serve to increase the breadth and influence of the upstream program while not adding to the cost of delivery. The program website also includes a program description, how to participate, and tools and applications to download.

SCE is experienced with successful delivery of similar programs and has a proven track record of administering and implementing successful upstream rebate programs. Innovation was key to the success of the IOU's previous upstream program, which included automation of rebate applications (including extensive databases of eligible equipment) and rebate processing. This simplified distributor participation and cut processing costs. The team also implemented a multi-faceted marketing campaign that used phone and on site recruiting as well as an extended direct mail campaign.

The team continues to work with other entities, particularly local vendors, to help promote high-efficiency equipment. In the upstream program, the team works jointly with manufacturers, distributors, and contractors, including making on-site visits. This ensures that manufacturers' resources (e.g., manufactures' technical

field staff, measurement tools, analysis software, layout services, etc) are made available to customers who have potential retrofit opportunities.

The program calculates the energy savings benefit and return on investment to educate customers as to the 'value' and cost effectiveness of purchasing a more reliable and high efficiency piece of equipment. Utility energy audits will be used to inform and educate customers of their energy-efficiency options. A toll-free phone number is available to explain the benefits of purchasing high efficiency equipment. The utility personnel staffing the toll-free number are well versed in energy efficiency and can answer questions regarding program guidelines, or even perform energy audits. The utility representatives are also familiar with programs run by other entities and will provide contact information to callers.

Small Nonresidential Hard to Reach

The Small Nonresidential Hard to Reach Program, also known as the Small Business Equipment Retrofit Program is designed to produce cost-effective, long term annual demand and energy savings by providing no-cost energy-efficient equipment retrofits to hard-to-reach small business customers in SCE's service territory. This program also provides training and jobs for individuals in economically disadvantaged areas. The program targets underserved communities within SCE territory in partnership with selected CBOs and FBOs to package a customized program delivery plan that fits the specific needs of their communities thereby reducing market barriers to adoption of energy efficiency alternatives in these communities. These organizations can leverage SCE's portfolio of energy efficiency programs that effectively deliver long term energy and peak demand savings.

SCE will implement marketing strategies necessary to help increase consumer awareness to the target rural and underserved non-rural sectors. Working and coordinating with heads of local communities, CBOs and FBOs, the energy efficiency awareness campaign may include:

- Energy efficiency literature distribution
- Training of local resources conducted by SCE's contractor, along with CBOs and FBOs
- Energy use surveys conducted by SCE contractor and local resources recruited by CBOs and FBOs

This program is selectively marketed to the target customer group through telemarketing and direct contact. Customer communication is conducted 'in-language' where appropriate. Chambers of commerce and/or local city officials are typically notified, and one of the CBO or FBO partners will work with the community to market to the selected customer group.

Nonresidential Energy Audits

The Statewide Nonresidential Energy Audits program offered by Pacific Gas and Electric Company, Southern California Edison, San Diego Gas and Electric and Southern California Gas Company provides a full range of professional technical assistance to educate customers on how to implement no cost, low cost measures and cost-effective energy-efficiency retrofits in their buildings to increase long term annual energy savings and capture electric peak demand reduction while lower their energy bills. The energy audit recommendations are based on the customer's recent billing history and/or customer-specific information regarding equipment and building characteristics. This program also addresses the California Public Utilities Commission's goals regarding equitable program access to the hard-to-reach business sector.

The Nonresidential Energy Audit program is a comprehensive information program designed to offer an array of innovative audits for all nonresidential customer segments. The IOUs have been offering energy efficiency audits and other customer specific information for more than 20 years. Customers have come to trust the program for comprehensive, unbiased information to guide their energy decisions.

The energy audits and information services which, in recent years, have increased in popularity and demand because of innovative approaches, often provide the first no cost and low cost recommendations that lead customers to invest further in energy efficiency. Recent statewide market assessment and evaluation studies of the business customer segment confirm that IOUs energy audits and services are:

- highly valued by all customer groups;
- fundamentally trusted; and
- prompting action toward more efficient technologies and practices.

The program makes energy efficiency information easy for the customer to obtain, information that they may have otherwise been prevented from acquiring. The information is provided at no cost to the customer. In summary, the customer is able to access generic energy efficiency information for all nonresidential

customer types. Customers receive knowledge of energy conservation and energy efficiency recommendations; obtain additional information about energy efficiency financial programs, workshops and seminars. Participating customers also receive additional assistance to obtain the energy related resources they need, i.e. "small business are not only showing interest in saving energy (to save money, to be sure) they are also asking for help."⁸

The main objective of the program's marketing plan is to address and overcome the marketing barriers characteristic to the program:

- Lack of customer information about energy efficiency benefits - Customers, especially small customers, lack information on how they could save energy and reduce costs at their businesses. They often lack information on how to prioritize energy use changes. Bill insert messages⁹ promoting the audit services will ensure that all customers have received notice of program availability. Identifying the defined hard to reach customers by using our customer information database and targeting them with specific types of surveys based on customer profile. Enlist the assistance of local CBOs to promote audit services to their clients in their jurisdiction.
- Lack of financing for energy efficiency improvements - Smaller customers lack information on financial assistance available through rebates or loans for energy efficient equipment. The energy audit program provides: (1) Information about financing options; and (2) emphasis on no-and low-cost recommendations requiring very minimal investment.
- Customer resistance to, or preference for specific delivery channels - Customers are more likely to participate when they have a choice of several no-cost and low-

⁸ Tertia A. Speiser, "Best Practices in Energy Efficiency Programs for Small Businesses," from E SOURCE (November 2001).

⁹ Demand Side Management Qualitative Research 1999 Rebates and Incentives, Garcia Research Group, July 1999, - Focus Group data indicated that small business owners open their own mail and issue checks and therefore are more prevalent in reading "bill messages" rather than bill inserts

cost services. They are then often more willing to invest in energy-efficient equipment.

- Program and services provide accessibility for underserved and hard-to-reach customer groups - The program consistently maintains the equity of provided services by emphasizing marketing and outreach efforts to hard-to-reach markets. The program also provides no restrictions to customer eligibility for hard-to reach customers.

IOUs will deploy traditional marketing and outreach along with new marketing approaches that can increase customer response and participation:

- Central marketing - Bill insert messages listing program descriptions will be sent to all customers (288,000). Specific market segments will also be sent program materials through separate mailings. The IOU Websites will prominently display energy conservation messages and link to program information on the main menu.
- IOUs designed a common marketing brochure (35,000) and translate it into one or more languages. The brochure promotes energy audits and target customers whose primary language is other than English.
- Local marketing – The IOU account representatives provide leads for large customer audits.
- Other partnerships – The IOUs partner with public-private organizations (in energy efficiency, water conservation and pollution prevention), community and faith-based organizations, colleges and universities, municipal electric and gas utilities, and governmental agencies.

Outreach to hard-to-reach customers – Several resources will be used to reach this customer segment:

- Hard-to-reach markets are identified and selected for mail-in, phone, or CD ROM audits;
- Outbound calls to customers, identified as hard-to-reach, who are located in rural areas, and very small nonresidential customers (customers whose electric

billing demand is less than 20 kW) and tenants are offered over-the-phone audits;

- CD-ROM self-administered energy audits are mailed to selected businesses, upon request, distributed through CBOs and local agencies, or distributed as requested by customers through local SCE account representatives;
- IOU account representatives conduct energy audits; and
- Follow-up activities, when conducted, answer questions about audit results, provide additional information regarding incentive programs, and assist in implementation of energy efficiency projects.

Each service under the Nonresidential Energy Audit program cross-promotes other customer energy efficiency programs, including both incentive and informational programs. Types of programs include the statewide Express Efficiency, statewide Standard Performance Contract, local Small Nonresidential Hard to Reach program, Savings By Design, statewide Education and Training and the statewide Marketing and Outreach program. Specific rebate amounts can be estimated where applicable, and referrals to incentive programs (*i.e.*, websites, toll-free numbers) are provided. Handout materials to promote other energy efficiency resources (*e.g.*, Flex Your Power) are also developed and distributed as appropriate.

The program has been working and will work in conjunction with the Express Efficiency program and other programs by providing customers with information and recruiting for participation.

VeSM (Value and Energy Stream Mapping) Advantage Plus

The VeSM Advantage Plus program will improve manufacturing process efficiency by up to 25%, while improving energy efficiency per unit of output up to 10%, in conjunction with a 4-step approach designed to encourage energy efficiency, meet the needs of small to large size manufacturers, and provide an economic boost to the region. VeSM Advantage Plus focuses on process improvements that first, improve energy efficiency and second, enhance productivity. VeSM Advantage Plus will:

- 1) Identify and quantify energy efficient process improvement solutions on the shop floor through a unique Value and Energy Stream Mapping assessment
- 2) Implement one or more high-impact, lower-cost energy efficient process improvement solution(s) in an approximate range of savings from 100,000 to 180,000 annual kWh savings (Tier 1 Choices) in energy waste (per participating manufacturer) in accordance with a tailored contractual agreement.
- 3) Lead to additional implementation of one or more high-impact, higher-cost energy efficiency process improvement solution(s) requiring additional incentive to align with acceptable customer payback; identify utility and non utility incentive programs that may lead to the improvements being installed.
- 4) Conduct energy audits to identify additional facility – related energy efficiency opportunities inherent in manufacturing facilities, to encourage upgrading equipment such as lighting, HVAC and refrigeration.

VeSM Advantage Plus has improved upon “lean” manufacturing principals including “value stream mapping” (a floor map of the production process) by integrating “energy use” in a unique and first of its kind assessment tool called Value and Energy Stream Mapping.

To assure success of the VeSM Advantage Plus program, SCE and CMTC will work with key economic and business development organizations (EDCs) that provide services in the counties targeted under this program. These organizations include the Los Angeles Economic Development Corp. (LAEDC), Orange County Business Council (OCBC) and Inland Empire Economic Partnership (IEEP). In conjunction with the selected EDCs, CMTC will co-sponsor the VeSM Advantage Plus workshops, partner on various marketing campaigns, institute an active referral system and leverage participation in industry specific tradeshow. The program will integrate awareness and outreach of IOU and non-IOU energy efficiency programs as a part of its on-site service delivery and workshop process. The program will begin by developing a comprehensive listing of energy efficiency programs that provide incentives to manufacturers. The listing will include contact information and a brief description of the services offered.

The program will develop a referral system (similar to the Active Referral Network established with the EDCs) and in conjunction with VeSM Advantage Plus on-site service delivery, program representatives will discuss the variety of energy efficiency programs available, offer to coordinate and/or integrate these programs in the overall process improvement schedule. CMTC will also build in an Energy Efficiency Outreach time-slot in each of its planned workshops (15 - 20 minutes) for other energy efficiency program implementers to highlight their CPUC-funded energy efficiency programs, distribute program material and network with attending manufacturers.

CMTC, the primary subcontractor, has over a decade of experience and has reached and serviced thousands of manufacturing companies and has been able to show dramatic impact results. It is with this in mind that the program includes this specialized marketing approach. CMTC's marketing mechanisms include direct mail, workshops, trade shows, networking in conjunction with trade associations, customer referrals, industry conferences, technical presentations, alliances and partners, web site exposure and newspaper and trade magazine articles. These mechanisms are used to attract potential customers and make them aware of VeSM Advantage Plus² and to increase awareness of the benefits of energy efficiency and lean manufacturing concept, e.g., waste reduction. CMTC's has been very successful in targeting various sizes of manufacturers and generating a significant amount of leads and appointments for program services. Last year, CMTC contributed articles and/or received press coverage in over 50 newspapers and magazines.

CMTC has a dedicated department and long standing policy to work in partnership with the broader community of trade associations, economic development organizations and educational institutions. To that end, CMTC has formed meaningful strategic partnerships and leveraged resources to target specialized markets.

LA County SCE/SCG Partnership Plus

LAC/ISD's marketing and outreach program is intended to better inform and educate internal county department customers of the energy efficiency services and programs available through LAC/ISD. The emphasis is placed on marketing the retrofit program to the smaller facilities (25,000 square foot and under) and the retro-commissioning program to all facilities. This established market base allows LAC/ISD to focus directly on those customers that should benefit from this program. In addition, because of LAC/ISD's successful track record, LAC/ISD has an enthusiastic customer base of County department and facility managers that welcome implementation of energy savings projects.

This outreach program is accomplished mainly through contact with facility administrators and managers to inform them of the availability and scope of the retrofit and RCx programs and to explain the benefits associated with measures for which their facilities have been selected. LAC/ISD, with SCE and SoCalGas assistance, visits each targeted site to talk with facilities manager(s) about the various options and proposed energy efficiency measures. After confirming an appropriate site for implementing measures and/or retro-commissioning, LAC/ISD and/or SCE/SoCalGas will meet with the appropriate facilities managers to present the anticipated energy savings and other benefits and considerations associated with the implementation. In addition, LAC/ISD uses the County's EEMIS to show customers their facility load profiles. During the implementation of the program, LAC/ISD, with SCE's assistance, trains facilities personnel on how to use the web-based software to track load profiles and to assess efficiency measures subsequent to installation. This can be done using other facilities as well as their own.

The Public Agency Energy Efficiency Technology Transfer component will employ several outreach strategies. The feasibility study will not require marketing, but will rely on the on-line survey instrument and interviews. The workshop(s) will be publicized to local government facilities managers using e-mail, letters, and direct telephone conversations and personal discussions between invited participants and staff from LAC/ISD and the utilities.

UC/CSU/SCE Partnership

The University of California/California State University (UC/CSU) and Investor-Owned Utility Energy Efficiency Partnership is a unique, statewide energy efficiency program that accomplishes immediate, long-term peak energy and demand savings, and establishes a permanent framework for a sustainable, long-term, comprehensive energy management program at the thirty three (33) UC and CSU campuses served by California's four large IOUs. This program capitalizes on the vast resources and expertise of the UC/CSU and the California IOU's to ensure a successful and cost effective program that meets all objectives of the California Public Utilities Commission (CPUC or Commission) as articulated in Decision 03-08-067. It lays the groundwork for not only a continued UC/CSU comprehensive energy efficiency program but also establishes a model for statewide partnership programs and will allow expansion of this program to California's community colleges in the next funding cycle. The UC/CSU/IOU partnership program is comprised of three elements, which will operate on a statewide, integrated basis, providing immediate energy savings and setting the foundation for a long-term program focused on sustainability and best practices: Energy Efficiency Retrofits; Facility Retro-and Continuous Commissioning; and Energy Efficiency Education and Best Practices Development and Training.

The customer information element of the program, Facility Retro-and Continuous Commissioning, is a unique approach to obtaining savings that combines the expertise of the Universities' statewide campus facility management staff, additional utility and subcontractor expertise, and the installation of energy monitoring and metering equipment at the building submeter and system level. Through these resources, a systematic, comprehensive continuous commissioning program will be developed. To date, almost every retro-commissioning program has consisted of a one-time review of building operations, installation of equipment control measures, one or two training workshops, and possibly development of commissioning documents. The approach of this portion of the partnership program is far different. It includes the usual first step, a review of building operations and installation of equipment. However, it will go beyond the typical program to date in

three aspects. First, the campuses that participate in this aspect of the program will install sufficient equipment to insure an extensive and comprehensive built-in measurement and verification capability. Second, this element of the program will be combined with the third element (Energy Efficiency Education and Best Practices Development and Training) to become a “continuous commissioning” program, that is institutionalized at the campuses for the foreseeable future. In this way, savings will be sustained well beyond those from the more typical and limited retro-commissioning programs. Third, the program will use the campus facilities management staff to identify new cost-effective retrofit opportunities efficiently and at low cost. The key to success for this effort will be the existing infrastructure that UC/CSU brings to this program – extensive campus facility management staff who are already well-versed in energy skills but who lack the tools to implement continuous commissioning and the specialized training needed to do so in-house.

The Energy Efficiency Training and Best Practices Education element of the program develops a comprehensive program for energy education and information exchange among the UC/CSU/Community College campus energy and facility managers and with the IOUs. This program provides a venue for those individuals responsible for managing energy use on campuses to share information and experiences related to facility operations, best practices, and successful retrofit projects, among other issues. This is an information and education program that will develop and share best practice operating methods and technologies applicable to university campus facilities. The three primary vehicles for training and dissemination of information will be development of a best practices manual (covering new construction, retrofits, retro-commissioning, and continuous commissioning) implementation of a retro- and continuous commissioning monitoring and tracking system, and a series of intensive training sessions and workshops to be held in Northern and Southern California.

Bakersfield/Kern Energy Watch Partnership

Pacific Gas and Electric Company (PG&E), Southern California Edison, Southern California Gas Company (SoCalGas), the City of Bakersfield (City), the County of Kern (County), and Staples/Hutchinson and Associates, Inc. entered into a partnership to reduce energy use by providing energy efficiency information and direct installation of energy efficient equipment to the City and County's local community. Specifically, this partnership offers direct install services to hard-to-reach customers and small businesses, free energy audits to both residential and nonresidential hard-to-reach customers, marketing and outreach to encourage participation in statewide energy efficiency programs, municipal building energy efficiency retrofits, support for codes and standards enforcement, and local training seminars for residential contractors as well as design/build firms, engineers and architects working on commercial properties. This partnership utilizes the strengths of each entity to overcome participation barriers, better serve local needs and hard-to-reach customers, and increase participation in PG&E, SCE and SoCalGas' statewide energy efficiency programs.

A press conference announced the joint project between the City of Bakersfield, County of Kern, PG&E, So Cal Gas and SCE on June 23, 2004. Bakersfield City Mayor Harvey Halland, Supervisor Barbara Patrick and utility representative announced the program, garnering media attendance from all major radio, television and print media.

Marketing materials including residential and small business brochures, energy-survey coupons for realtors and residential communities, and 60-second radio commercials and 30-second television commercials are all developed and printed in both English and Spanish languages.

Literature is distributed at various retailers throughout the city including Wal Mart, Food Max, Home Depot, Lowe's, Orchard Supply Hardware, the Bakersfield Home Show, and the Kern County Fair. Additionally, newspaper articles and features are developed throughout the term of the program for placement in all major newspapers in the area.

In mid 2004, we found that in addition to our direct delivery channels, other educational and training opportunities existed and could possibly augment the workshops the partnership offered. PG&E, SCE and SoCalGas each offer an extensive calendar of workshops designed for all aspects of both the residential and commercial customer. We realized that with these offerings we could capture the synergy that exists between existing opportunities and the ability of the partnership to reach potential markets located within the reach of our partnership. With the cooperation of the 3 utilities and the assistance of the partnership's marketing channels, we have been able to promote seminars, not always held in the community, but offering education that is deemed very valuable to our customers.

City of Pomona Partnership

The City of Pomona (the "City") and SCE have teamed up to implement a set of innovative strategies with the objective of overcoming market barriers to reach underserved markets within the City of Pomona. The goal of this program is to create permanent energy savings by utilizing both the mechanisms and partnerships unique to local governments, and also the existing infrastructure within the City of Pomona government. The partnership between SCE and the City of Pomona ensures that all the ideas in this proposal are complementary to those already offered by the Utility. The City proposes to retrofit a number of city facilities with high efficiency equipment including T8 lights, premium efficiency HVAC units and LED Pedestrian Indicators, reducing the city's energy usage. The outreach portion of this program will be targeted to the hard-to-reach residential and non-residential customers within the City of Pomona. First, this is a local program tailored specifically to the City of Pomona. Secondly, it utilizes specific local institutions and networks to aid in program marketing and delivery. Third, it focuses primarily on hard-to-reach residential markets (multi-family, low-income and owner tenant "split incentive" situations), and underserved commercial markets (small and very small businesses, retail, groceries, and restaurants). Fourth, we segment the market further than previous programs have done, to tailor outreach and delivery methods to specific sub groups. Finally, we train local

vendors and technicians on the various resources available to them to market and implement energy efficiency projects.

The outreach program utilizes various information distribution channels through the city as well as through local business groups. We utilize various distribution channels including, but not limited to:

- Business Renewal Notices
- Garbage and Water Bills
- Direct Mail/Email from the City of Pomona
- Direct Mail/Meetings with the Property Managers
- Presentations/Meetings with other local city entities
- The components of this locally driven information strategy include:

Direct Mail

These contain specific and targeted energy efficiency information and are distributed through the local Utility bills. Each of the Direct Mail campaigns (two each year) will consist of about 50,000 mailers to the residential, business, and non-English speaking audiences. Each campaign will target 25,000 residential customers, 20,000 Spanish-speaking customers, 3,000 Commercial customers, and two (2) targeted sub-groups of 1,000 each. With the City's population being in the range of 150,000, we expect to reach a very large percentage of households in the City. The mailers are sent through the City of Pomona so as to improve acceptability. These mailers contain the following localized information:

- Energy efficiency tips that are relevant to industry and the local area
- List of local vendors and technicians who stock energy efficiency equipment
- List of relevant programs and resources available from SCE and other organizations
- Local contact information to get assistance from SCE and the City of Pomona

Where appropriate, we also utilize targeted direct mail. For example, we obtain lists of attendees and interested residents for City-sponsored energy related events. We specifically mail program information and enrollment forms to

businesses and homes with high energy consumption, since the economics of energy efficiency are much more favorable when avoided costs are more than \$0.20/kWh.

Training and Seminars

These are targeted to vendors and small businesses. A total of eight seminars/training sessions will be held during the two program years - four for the vendor community and four for local business groups. These seminars are coordinated in partnership between SCE, City of Pomona, and Intergy. The primary purpose of these seminars will be train vendors to effectively market energy efficiency, ways in which the City can help, and SCE, CEC and other State resources and programs that can be utilized.

Booths in City Events

There are booths set up in two City events (for example, Earth Day) over the two years of the program. The booths creatively distribute and market the local SCE programs and resources and provide energy efficiency information. For example, there are mini information sessions with a quiz at the end, winners of which get attractive prizes. The booth is handled by SCE and the City of Pomona. Questions about any energy efficiency projects are answered. Other celebrations like the Fourth of July celebration are also utilized to set up energy efficiency workshops and vendor displays.

Website

A City of Pomona energy efficiency website is created within the City of Pomona primary website. This includes information about energy efficiency, including tips relevant to local businesses and residents, lists of local vendors and technicians who stock energy efficiency equipment, lists of relevant programs and resources available from SCE and other organizations, and local contact information to get assistance from SCE and the City of Pomona.

Building Operator Certification & Training

The Building Operator Certification (BOC) and Training Program offered by PG&E, SCE, SDG&E and SoCalGas is a continuation of the uniform statewide building operator training and certification program that began in 2002. Operators

of medium and large commercial buildings (including governmental and institutional buildings and complexes) are the primary target group for this program. The program content trains operators of these buildings to identify and implement long term annual energy savings and electric peak demand reduction opportunities as an integral part of their operations and maintenance activities. As a certification program, BOC seeks to establish a recognized professional credential for building operators.

The rationale for this information program is to educate operators of commercial buildings including public buildings, on long term annual energy savings and electric peak demand reduction strategies for their buildings. This is accomplished by educating building operators on how to get the most out of their operating systems by improving their analytical and practical skills on the job. Through the certification component, BOC provides a consistent benchmark of competencies for participants, competencies expected to be of high value to building owners. The BOC training will include equipment operations, the latest innovative methods of building operation and maintenance and how to incorporate energy efficiency and peak reduction opportunities. These opportunities range from installing more energy efficient equipment to proper maintenance of existing equipment for more efficient operations. The knowledge gained from this training program is expected to improve facility operation skills in both the short-term and long-term post-class periods. The increased awareness of energy saving knowledge for the building operator community will help achieve electric power demand reductions and energy savings statewide.

The IOUs and NEEC coordinate marketing efforts to promote this program to nonresidential customers. NEEC and the IOUs plan to use a proven, systematic approach to recruit building operators to participate in the BOC training. Marketing activities include e-mail, direct mail and targeted follow up calls to targeted customers, vendors, IOU account representatives and IOU seminar attendees. The IOU mailing lists and account executives were instrumental in

recruiting participants in the 2002 and 2003 course series. The same or greater level of marketing efforts will continue in 2004 and 2005.

Employer-targeted marketing can be effectively accomplished with presentations to local California chapters of facility management associations such as the International Facility Management Association (IFMA), Building Owners and Managers Association of Greater Los Angeles (BOMA-GLA), American Society of Hospital Engineers (ASHE), National School Plant Management Association (NSPMA), and the Association of Facility Engineers (AFE). Members of these associations are directors and managers of facilities and operation and maintenance departments across the full spectrum of facility sectors. Presentations to associations may feature BOC case studies developed by the IOU's showing direct benefits to companies with BOC certified operators. This activity generates student participation in the short term, while building long-term recognition of the BOC credential among key employers in the state.

Most marketing and communications are handled electronically for the BOC program in order to keep program costs low. Past use of such methods has proven successful and has resulted in fully subscribed course sessions. In 2004 the BOC program printed and distributed approximately 6,000 BOC brochures, 6,000 BOC information meeting brochures, 4,400 e-mail contacts, and 22,000 direct mail pieces.

Emerging Technologies

The Statewide Emerging Technologies (ET) program is an information-only program that seeks to accelerate the introduction of innovative energy efficient technologies, applications, and analytical tools that are not widely adopted in California. There are a daunting amount of market barriers a new energy efficient product must overcome to gain acceptance. The intent of the ET program is to help accelerate a product's market acceptance through a variety of approaches, but mainly by reducing the performance uncertainties associated with new products and applications. The program targets all market segments.

The utilities deliver the program through custom demonstration projects, working with targeted “innovators,” and coordinated efforts like the Emerging Technologies Coordinating Council (ETCC) and the ET database. Information Transfer efforts disseminate project results through many different outlets, including the Energy Centers, utility personnel, community organizations, etc. These Information Transfer activities leverage the utilities' overall energy efficiency communication efforts to disseminate information resources such as reports, fact sheets, design methods and tools developed through the demonstration projects.

Education and Training

The Statewide Energy Efficiency Education and Training Program is offered in the service territories of PG&E, SCE, SDG&E, and SoCalGas. Overall, the program promotes energy efficiency to a variety of customers segments through energy centers (physical and virtual) and other informational programs. The objective is to 1) disseminate information about energy efficient technology and practices to utility customers for the purpose of assisting them to reduce energy usage, lower their bills, reduce operation and maintenance costs, and improve their productivity; and, 2) to provide services to a variety of market actors, architects, engineers, distributors, and contractors who use information and tools to design more efficient buildings or processes and to conduct energy efficiency retrofits and renovations.

AGTAC/CTAC Marketing Plan

Seminars and workshops at AgTAC/CTAC are marketed through a variety of media, including:

- Quarterly Mailings – There are four mailers sent each year. Each mailing is sent to approximately 9,400 AgTAC and 39,000 CTAC customers, most located within a 50-mile radius of the energy centers. The mailer consists of a listing of the classes offered, dates and times for each, and a brief description of the subject matter covered. Cost for each quarterly mailer is approximately \$7,000 – 13,000 for AgTAC and CTAC, respectively.
- Joint Utility Promotion – In cooperation with SDG&E, PG&E, and The Gas Company, all energy efficiency classes offered at AgTAC/CTAC are promoted by the other energy centers. As just one example of the statewide coordination within this program element, all energy efficiency classes offered at AgTAC are advertised in PG&E's semi-annual mailers. This includes the mailer from the Pacific Energy Center which is sent to 19,000 customers and the one from the Stockton Training Center, which is sent to 14,000 customers. There is no cost to Edison for this joint promotion and inclusion in their mailers.
- EnergyEfficiencyCenter.com – This joint utility website features class listings for each of the State's energy centers. Class schedules are updated throughout the year and provide customers a one-stop shopping location for workshops which are available to help solve their energy efficiency needs.
- SCE.com – This is Edison's website which contains all the various programs and services offered through Edison, including a schedule of classes offered at AgTAC/CTAC. Customers will find a comprehensive list of programs and services detailed throughout the website and are able to make clear choices for those that could potentially meet their energy needs.
- Targeted Seminar Mailings – Workshops and seminars may require a separate mailer to reach certain customers segments or customer types. These mailings may be sent out to a limited number of customers, segment support groups, and product related vendors.

Product Labeling Marketing Plan

The 2004-05 Program will include activities such as installing a color postcard size label on floor display pool pumps to let customers know they can save up to \$300 on the purchase of energy efficient pumps. Other marketing activities include provision and placement of rebate applications at the cash registers, and training sales personnel on the requirements for the rebate program. Similar marketing activities will be utilized for other measures such as energy efficient electric water heaters and whole house fans.

Informational Services Marketing Plan

SCE plans to directly contact over 30,000 commercial, industrial, and agricultural customers in 2004-05. During these contacts SCE intends to market: awareness of energy center workshops, energy efficiency programs, cost benefit of energy efficient technologies, availability and eligibility for new programs and service opportunities.

5. How much money is currently allocated to supporting programs to inform building owners and operators about the compelling economic benefits of energy efficiency measures and to improve commercial building efficiency? Present a breakdown of this funding information by individual programs and IOU service territory.

A total of \$20.7 million is currently allocated to supporting programs to inform building owners and operators about the compelling economic benefits of energy efficiency measures. SCE contributed \$6.7 million to the Statewide Marketing and Outreach campaigns and \$14.0 million for program-specific marketing and outreach (See **Table 1**, 2004 Funding for Nonresidential Customer Information).

SCE offers multiple types of programs, each designed to inform building owners and operators about the compelling economic benefits of energy efficiency measures and to improve commercial building efficiency. SCE's nonresidential program mix includes programs whose primary objective is to provide financial incentives to customers, intended to spur the financial aspects related to energy savings; audit programs whose purpose is to provide customer-specific advice as to the benefits of energy efficiency; and

mass market information programs, intended to provide general advice and information to SCE's nonresidential customers on the benefits of saving energy and money through energy efficiency. Each of these programs contain an education and outreach portion intended to convey the economic and other benefits of energy efficiency, as described in detail in response to question 4 above. However, specific programs are dedicated solely to informing building owners and operators about the compelling economic benefits of energy efficiency measures. These different types of programs and the ways in which they inform customers are discussed below and the appropriate funding allocated to informing customers is shown in **Table 1**.

SCE's program types can generally be categorized as follows:

- Statewide Marketing and Outreach
- Nonresidential Incentive
- Nonresidential Audits
- Nonresidential Education and Training

Statewide Marketing and Outreach programs generate awareness and provide an umbrella approach to outreach. This approach delivers a consistent message statewide which provides reinforcement for the concept. The funding for these programs is solely to inform customers about the compelling economic benefits of energy efficiency measures and to improve commercial building efficiency. Thus, in **Table 1** below, the full annual budget for these programs is included.

Nonresidential Incentive programs provide financial incentives to customers, intended to spur the economic aspects of the energy efficiency decisions. Although the budgeted incentives themselves could be considered money currently allocated to supporting programs to inform building owners and operators about the compelling economic benefits of energy efficiency, primarily it is the funding set aside for marketing and outreach in these programs which are most directly informing building owners and operators about the benefits of energy efficiency. Thus, in **Table 1** below, only the

funding allocated to the marketing and outreach in these programs is included.

Nonresidential Audit programs provide actionable, customer-specific information to individual building owners and operators by trained individuals who are familiar with the customer's needs. These programs deliver a customer-specific message, building upon the messages delivered by Statewide Marketing and Outreach programs. The funding for the Nonresidential Audit program is solely to inform customers about the compelling economic benefits of energy efficiency measures and to improve commercial building efficiency. Thus, in **Table 1** below, the full annual budget for these programs is included. For those programs with both Nonresidential Incentives as well as Nonresidential Audits, only the funding dedicated to Audits and other Customer Education is included in the table.

Nonresidential Education and Training programs also provide actionable, information to building owners and operators, but are done at a higher level than the specific audits pertaining to a particular customer facility. These programs also build upon the messages delivered by Statewide Marketing and Outreach programs. The funding for the Nonresidential Education and Training programs are solely to inform customers about the compelling economic benefits of energy efficiency measures and to improve commercial building efficiency. Thus, in **Table 1** below, the full annual budget for these programs is included. For those programs with both Nonresidential Incentives as well as Nonresidential Education and Training, only the funding dedicated to Customer Education is included in the table.

As discussed above, SCE allocates a portion of each of the funding available in each of its nonresidential energy efficiency programs to support the information needs to inform building owners and operators about the compelling economic benefits of energy efficiency measures. Below is a table

presenting the breakdown of this funding in 2004 by individual program for SCE's service territory:

Table 1: 2004 Funding for Nonresidential Customer Information

Program Category	Program	(\$ millions)
Statewide Marketing and Outreach	Statewide Marketing and Outreach	\$6.710
Nonresidential Incentive	Savings by Design	\$0.326
Nonresidential Incentive	Standard Performance Contract	\$0.950
Nonresidential Incentive	Express Efficiency	\$0.703
Nonresidential Incentive	Upstream Motors and HVAC	\$0.331
Nonresidential Incentive	Small Nonresidential Hard to Reach	\$0.335
Nonresidential Audits	Nonresidential Energy Audits	\$1.900
Nonresidential Incentive & Audit	VESM Advantage Plus	\$0.062
Nonresidential Incentive & Audit	LA County/SCE/SCG Partnership	\$0.060
Nonresidential Incentive & Audit	UC/CSU/SCE Partnership	\$1.549
Nonresidential Incentive & Audit	Bakersfield/Kern Energy Watch Partnership	\$0.540
Nonresidential Incentive & Audit	City of Pomona Partnership	\$0.082
Nonresidential Education and Training	Building Operator Certification & Training	\$0.500
Nonresidential Education and Training	Emerging Technologies	\$1.800
Nonresidential Education and Training	Education and Training	\$4.813
Total		\$20.662

6. Describe how these programs are currently coordinated and how such coordination could be improved upon in the future.

As discussed in the response to Question 4 above, California boasts an integrated, coordinated approach to marketing the state's energy efficiency

programs. The Commission has authorized, and SCE administers, three Statewide Marketing and Outreach programs that create general awareness of energy efficiency opportunities across the state. As administrator, SCE facilitates cooperation and coordination between all of the statewide marketing and outreach partners. Underneath this “umbrella” of general awareness, SCE provides targeted, program-specific marketing and serves to assist customers in participating in the specific programs that benefit them.

SCE coordinates all programs and services in its service territory with the Statewide Marketing and Outreach “umbrella” campaigns and with other California IOUs to ensure both SCE’s local programs as well as the statewide energy efficiency programs provide consistent and actionable information to customers. This enables SCE to provide energy efficiency information and services which are specific to the needs of its customers while ensuring that customers are provided consistent and high-quality service statewide.

In addition, SCE’s account representatives assigned to the larger customers are familiar with all of the programs offered and can inform customers of all of their options as well as assist them to prioritize and implement projects. Training programs, outreach presentations, and other marketing efforts allow SCE to provide coordinated information of all programs appropriate to the market segment targeted.

7. How might CPUC-funded energy efficiency programs be modified or enhanced to help achieve the reductions in per square footage electricity use for commercial buildings, as directed in the Green Buildings Executive Order?

SCE continues to work with the Commission and with all other energy efficiency stakeholders to enhance its programs and to help achieve the reductions in per square footage electricity use for commercial buildings. In addition, SCE has and continues to work directly with the statewide groups shaping the implementation direction for the state’s Green Building Initiative (for example, the “benchmarking” initiative team). At this point, it

would be premature and counter-productive to the effective accomplishment of all of the CPUC's goals for energy efficiency to commit to any specific program changes. Instead, the correct policy would be for the CPUC to provide flexibility to make enhancements when and as appropriate.

8. What funding reallocations could be undertaken during 2005 to further facilitate meeting this goal? What level of additional funding in future years for commercial building efficiency programs do you estimate would be required to meet this goal?

The funding allocations and fund shifting ability utilized in the provision of energy efficiency products and services in 2004 allowed SCE to meet the aggressive energy savings goals and to provide a full spectrum of products to its commercial customers. SCE will continue to work with its commercial customers and the Commission to ensure that the current allocation is maximizing the impact of these programs while meeting the increasing goals in years to come. The level of funding in future years for commercial building efficiency programs will depend upon the ability of the utilities to meet the needs of the Executive Order while maintaining a focus on the highly aggressive energy efficiency goals set forth by the Commission and which greatly impact SCE's procurement needs.

As discussed in response to Question 7 above, instead of committing to any specific program changes or funding reallocations, the correct policy would be for the CPUC to provide flexibility to make enhancements, both in programs and in funding, when and as appropriate to meet all of the Commission's goals, including those arising out of the Green Building Initiative.

III.

CONCLUSION

SCE appreciates the opportunity to submit these comments, and looks forward to working with the Commission to meet the needs of California's

commercial customers and to meet the requirements of the Green Buildings
Executive Order.

Respectfully submitted,

MICHAEL D. MONTOYA
JANET S. COMBS

By: Janet S. Combs

Attorneys for
SOUTHERN CALIFORNIA EDISON COMPANY

2244 Walnut Grove Avenue
Post Office Box 800
Rosemead, California 91770
Telephone: (626) 302-1524
Facsimile: (626) 302-7740
E-mail: Janet.Combs@SCE.com

February 11, 2005

CERTIFICATE OF SERVICE

I hereby certify that, pursuant to the Commission's Rules of Practice and Procedure, I have this day served a true copy of **COMMENTS OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) IN RESPONSE TO ASSIGNED COMMISSIONER'S RULING REQUESTING INFORMATION IN RESPONSE TO THE GOVERNOR'S EXECUTIVE ORDER S-20-04** on all parties identified on the attached service list(s). Service was effected by one or more means indicated below:

- ☐ Transmitting the copies via e-mail to all parties who have provided an e-mail address. First class mail will be used if electronic service cannot be effectuated.
- ☐ Placing the copies in sealed envelopes and causing such envelopes to be delivered by hand or by overnight courier to the offices of the Commission or other addressee(s).
- ☐ Placing copies in properly addressed sealed envelopes and depositing such copies in the United States mail with first-class postage prepaid to all parties.
- ☐ Directing Prographics to place the copies in properly addressed sealed envelopes and to deposit such envelopes in the United States mail with first-class postage prepaid to all parties.

Executed this **11th day of February, 2005**, at Rosemead, California.

Susan L. Quon
Case Analyst
SOUTHERN CALIFORNIA EDISON COMPANY

2244 Walnut Grove Avenue
Post Office Box 800
Rosemead, California 91770



Janet S. Combs
Attorney
Janet.Combs@SCE.com

February 11, 2005

Docket Clerk
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, California 94102

RE: R.01-08-028

Dear Docket Clerk:

Enclosed for filing with the Commission are the original and five copies of the **COMMENTS OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) IN RESPONSE TO ASSIGNED COMMISSIONER'S RULING REQUESTING INFORMATION IN RESPONSE TO THE GOVERNOR'S EXECUTIVE ORDER S-20-04** in the above-referenced proceeding.

We request that a copy of this document be file-stamped and returned for our records. A self-addressed, stamped envelope is enclosed for your convenience.

Your courtesy in this matter is appreciated.

Best regards,

Janet S. Combs

JSC:cr:LW050410012
Enclosures

cc: All Parties of Record
(U 338-E)